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Region's Largest Public Utility Steps Up To Load Reduction Agreement

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Bonneville Power Administration

FOR IMMEDIATE RELEASE: TUESDAY, JUNE 12, 2001

PR 52 01

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SEATTLE, Wash. – The Bonneville Power Administration and Seattle City Light signed a load reduction agreement on June 6 that will reduce the utility's demand on BPA by 49.3 average megawatts for one year starting in October 2001.

"All of us have a stake in a financially healthy Bonneville Power Administration," said Gary Zarker, superintendent of City Light. "Keeping Bonneville out of the high-priced power marketplace will result in lower prices for all of us. Even if we have to buy power from the market, this will be a net gain for us."

Steve Wright, acting BPA administrator, praised City Light's commitment, saying, "As the largest public agency in the region, City Light has taken a very important step toward reducing the rate increase planned for Oct. 1 and is helping ensure economic stability in the region. City Light is doing its part, and we hope that other public utilities will do the same within the next 11 days."

Beginning in October, about 444.5 of City Light's 1,283 forecasted average megawatt load will be served by BPA. Zarker said that the 10 percent returned to BPA will be made up through conservation and the purchase of energy from the market.

BPA's goal is to reduce the load of its public utility customers by about 600 average megawatts. The goal is to reduce loads for the next two years so that BPA does not have to buy power in the expensive wholesale market, which could result in far higher electricity rates. BPA expects that within two years sufficient new generation will have come on line so that market prices will stabilize.

"Negotiations are ongoing with all our customer groups," said Wright. "We hope that our recent load reduction agreements with other customers and now with Seattle City Light will serve as catalysts to firming up additional agreements – and soon."

On June 6, BPA announced that the region's federal electricity system is headed for wholesale rate increases of 150 percent or more beginning October 1 unless its industrial and utility customers make additional commitments to reduce energy use by June 22, 2001.

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